**United States General Accounting Office** 

**GAO** 

Fact Sheet for the Chairman, Committee on the Budget, and the Chairman, Select Committee on Children, Youth, and Families, House of Representatives

March 1990

# USER FEES

Limited Survey of User Fees at the Departments of Commerce and the Interior





United States General Accounting Office Washington, D.C. 20548

Accounting and Financial Management Division

B-238701

March 23, 1990

The Honorable Leon Panetta Chairman, Committee on the Budget House of Representatives

The Honorable George Miller Chairman, Select Committee on Children, Youth, and Families House of Representatives

This report responds to your March 13, 1989, request in which you asked us to prepare a compendium of all fees the government charges for its goods and services and to provide information on whether executive branch departments periodically modify fees to reflect their current dollar value. In subsequent discussions, it was agreed we would limit our work to selected organizational entities within the Departments of Commerce and the Interior. It was also agreed that we would include in our report a statement on whether the Office of Management and Budget (OMB) and six executive branch departments have implemented the recommendations contained in the President's Council on Integrity and Efficiency's (PCIE) recent report on user fees. 1

#### RESULTS IN BRIEF

Officials at the Departments of Commerce and the Interior told us that detailed user fee information is usually kept in the field and that neither department has a central office or official who monitors this information. Without this complete and readily accessible information, we were unable to prepare a comprehensive compendium of user fees for these two departments.

Because of the lack of detailed user fee information, we were also unable to determine whether the departments are periodically adjusting their fees to compensate for

Audit of the Establishment and Collection of User Charges, President's Council on Integrity and Efficiency, February 10, 1989.

revising their user fees to compensate for inflation, and (3) the six executive branch departments who participated in the PCIE audit of user fees are implementing the PCIE report's recommendations.

At the Department of Commerce, we contacted officials in the National Institute of Standards and Technology and the National Oceanic and Atmospheric Administration because these entities accounted for approximately \$29.3 million of Commerce's \$32.6 million in fiscal year 1988 Treasury receipts (the most recent fiscal year for which receipt data was available). At the Department of the Interior, we contacted officials in the Minerals Management Service, the Bureau of Reclamation, and the Bureau of Land Management because these entities accounted for approximately \$3.7 billion of Interior's \$4.0 billion in fiscal year 1988 Treasury receipts.

From each of the entities contacted, we requested a list of all fees charged the public. Specifically, we asked for the name of each fee, the identity of the person or office with the authority to review and revise the fee, the frequency of review, the date when the fee was last reviewed, the date when the fee was last revised, the amount of the fee before the last review, and the current amount of the fee.

We also contacted officials at OMB and six offices of inspector general to determine what actions have been taken in response to the recommendations in the PCIE's February 1989 report on user fees.

We did not attempt to verify the information we obtained, and we did not obtain official agency comments on this report. However, the views of cognizant headquarters officials were sought during the course of our work and are incorporated in this report where appropriate. We conducted our work from June 1989 to January 1990.

### DETAILED INFORMATION IS NOT AVAILABLE TO PREPARE A USER FEE COMPENDIUM

In response to our request for information, headquarters officials in the organizational entities at Commerce and the Interior told us that detailed information on individual fees is usually maintained in the local facilities and field offices where fees are collected, goods are sold, and contracts are negotiated. Information

while the fee type required to be reviewed every 3 years was last reviewed in 1987. The dates of last review for the other 4 were not available.

Information on when fees were actually last reviewed was provided for 47 of the 78 fee types. Of these 47, 30 were reviewed within the last 2 years, 12 within the last 2 to 5 years, and 5 more than 5 years ago. However, the officials we contacted could not always provide dates for both review and revision. Dates when fees were last revised were provided for 30 of the 78 types. Of these 30, 17 were revised within the last 2 years, 3 within the last 2 to 5 years, and 10 more than 5 years ago.

### SOME FEES CANNOT BE ADMINISTRATIVELY REVISED

The fee information provided by some of the entities also identifies certain factors which legitimately inhibit fee revision in some instances. Fees usually may not be administratively revised when they are established by federal statute or through contract negotiations and competitive bids. For example, four of the Bureau of Land Management's filing fees for the purchase of mining patents were established by statute in the 1870s and cannot be administratively revised by the entity. The Bureau of Reclamation administers over 3,000 water service contracts, most of which were negotiated for terms of 40 to 50 years. Fees established in a contract usually cannot be revised until the contract expires.

We will send copies of this report to the Director, Office of Management and Budget; the Secretary, Department of Commerce; the Secretary, Department of the Interior; and other interested parties. Please contact me at (202) 275-9573 if you or your staff have any questions concerning this report. Other major contributors to this report are listed in appendix III.

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Director, Budget Issues

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## INFORMATION PROVIDED ON FEES CHARGED FOR GOVERNMENT GOODS AND SERVICES

Tables I.1 and I.2 contain fee information provided by officials in the entities we contacted at the Departments of Commerce and the Interior. The lack of specific information on when fees were last reviewed and revised does not necessarily mean the fees have not been recently reviewed or revised; it only means that the information was not readily available to headquarters personnel. We did not attempt to verify any of the information provided.

| Table I.1: Fe  | e Information Provided by Selected Department of Commerce Entitles |                                  |                              |                           |                     |  |  |
|--|--|----------------------------------|------------------------------|---------------------------|---------------------|--|--|
| Fee type<br>& number   | Required<br>frequency<br>of review                                 | Last<br>reviewed <sup>a</sup>    | Last<br>revised <sup>a</sup> | Fee before<br>last review | Current<br>fee      | GAO<br>observations                              |  |
| National Insti   | tute of Standa   | ards and Techn                   | ology                        |                           |                     |  |  |
| Standard<br>reference<br>database<br>(38 fees)                                 | Annually   | With each<br>database<br>upgrade | Aug 89                       | Unknown                   | \$190 to<br>\$8,200 | Magnetic tape & diskette under license agreement |  |
| Standard<br>reference<br>materials<br>(1,200+<br>fees)                         | Annually   | Apr 89                           | 1989                         | \$15 to<br>\$3,890        | \$15 to<br>\$3,772  |  |  |
| National<br>voluntary<br>laboratory<br>accredita-<br>tion program<br>(48 fees) | Annually   | Aug 88                           | Unknown                      | \$20 to<br>\$3,800        | \$20 to<br>\$3,800  |  |  |

| Fee type<br>& number   | Required<br>frequency<br>of review | Last<br><u>reviewed<sup>a</sup></u> | Last<br>revised <sup>a</sup> | Fee before<br>last review | Current<br><u>fee</u> | GAO<br>observations     |
|--|------------------------------------|-------------------------------------|------------------------------|---------------------------|-----------------------|-------------------------|
| Marine Mammals Protection Act public permit (1 fee)                          | No<br>pattern                      | Jan 74                              | Jan 74                       | <b>\$</b> 0               | \$25 to<br>\$200      | Application fee         |
| Marine Mammals Protection Act exemption (1 fee)                              | Annuaily                           | Established<br>in 1989              | N/A                          | N/A                       | \$30                  | Application fee         |
| National environ- mental satellite, data, and information service (115 fees) | Annually<br>by data<br>center      | 1989                                | 1989                         | \$0 to \$950              | \$0.10/pg<br>to \$951 | Selected fees<br>raised |
| Oceanic & atmospheric research (1 fee)                                       | Annuaily                           | Jul 88                              | Jul 88                       | \$26                      | <b>\$</b> 37          | Sells one<br>product    |

<sup>&</sup>lt;sup>a</sup>The terms "last reviewed" and "last revised" refer to the last time fees were reviewed or changed either by the departments or by the Congress.

| Fee type<br>& number                                     | Required<br>frequency<br>of review | Last<br>reviewed <sup>a</sup> | Last<br>revised <sup>a</sup> | Fee before<br>last review | Current<br>fee                    | GAO<br>observations                              |
|--|------------------------------------|-------------------------------|------------------------------|---------------------------|-----------------------------------|--|
| Pipeline<br>rental<br>(# Unk.)                           | Un known                           | 1988                          | 1979                         | Unknown                   | \$15/mlle                         |  |
| Royalties-<br>in-kind<br>adminis-<br>tration<br>(# Unk.) | Unknown                            | Jul 88                        | Unknown                      | Un known                  | \$68.50<br>per lease<br>(average) | Administrative costs                             |
| Pipeline<br>application<br>(# Unk.)                      | Unknown                            | Jul 88                        | 1988                         | \$100                     | \$1,400                           | Filing fee                                       |
| Pipeline<br>assignment<br>(# Unk.)                       | Unknown                            | Jul 88                        | 1988                         | \$25                      | \$50                              |  |
| Platform<br>rental<br>(# Unk.)                           | Un known                           | Jul 88                        | Unknown                      | <b>\$</b> 75              | \$75                              | Fee since at<br>least 1981                       |
| Lease<br>ownership<br>transfer<br>(# Unk.)               | Unknown                            | Jul 88                        | Unknown                      | <b>\$</b> 25              | <b>\$</b> 25                      | Fee since at<br>least 1981                       |
| Printing<br>costs<br>(6 fees)                            | Unknown                            | Unknown                       | Unknown                      | Un kn own                 | \$0.13/pg<br>to \$470             | Printing costs<br>for staff and<br>computer time |

| Fee type<br>& number  | Required<br>frequency<br>of review | Las†<br>reviewed <sup>a</sup>     | Las†<br>revised <sup>a</sup> | Fee before<br>last review                          | Current<br>fee                                     | GAO<br>observations |
|---|------------------------------------|-----------------------------------|------------------------------|--|--|---------------------|
| Sale of<br>electric<br>energy<br>(# Unk.)                   | Varies by<br>contract              | Varies by<br>contract             | Un known                     | \$0.50 to \$7.89<br>mills per<br>kilowatt-<br>hour | \$0.50 to<br>\$9.92 mills<br>per kilowatt-<br>hour |                     |
| Technical assistance to foreign countries (# Unk.)          | Case-by-<br>case                   | Un known                          | Un known                     | Actual cost  | Actual cost  |                     |
| Outgrants<br>(# Unk.)                                       | Varies by outgrant                 | Varies by outgrant                | Unknown                      | Fair market<br>value                               | Fair market<br>value                               |                     |
| Recreation<br>fees<br>(# Unk.)                              | No<br>pattern                      | Varies by<br>regional<br>director | Un known                     | \$0.50 to \$5<br>per visit                         | \$1 to \$7<br>per visit                            |                     |
| Examining small project submissions (# Unk.)                | No<br>pattern                      | 1986                              | Unknown                      | \$1,000 per<br>application                         | \$5,000<br>per appli-<br>cation                    | Fee set by law      |
| Providing plans, specifications, & other materials (# Unk.) | Case-by-<br>case                   | Unknown                           | Unknown                      | Actual cost  | Actual cost  |                     |

| Fee type<br>& number                            | Required<br>frequency<br>of review | Last<br>reviewed <sup>a</sup> | Last<br>revised <sup>a</sup> | Fee before<br>last review                 | Current<br>fee                         | GAO<br>observations                                   |
|---|------------------------------------|-------------------------------|------------------------------|---|--|---|
| Right-of-<br>way rental<br>(160+ fees)          | No<br>paffern                      | Jul 87                        | Un known                     | Fair market<br>value                      | Fair<br>market<br>value                | Rental rate per<br>acre adjusted by<br>state/district |
| Timber<br>sales<br>(# Unk.)                     | Varies by contract                 | Varies by<br>state            | Unknown                      | Un known                                  | \$5 to \$500<br>per thou.<br>board ft. | Fee set by<br>negotiation or<br>competitive bid       |
| Site<br>prepar-<br>ation<br>(# Unk.)            | Varies by<br>district              | Varies by<br>district         | Unknown                      | Un known                                  | Varies by contract                     | May work in lieu<br>of paying fees                    |
| Vegetative<br>materials<br>receipts<br>(# Unk.) | Varies by<br>state                 | Varies by<br>contract         | Unknown                      | Unknown                                   | Varies by<br>contract                  | Fee set by<br>negotiation or<br>competitive bid       |
| Wild<br>horses &<br>burros<br>(2 fees)          | No<br>pattern                      | 1983                          | 1983                         | \$200/horse<br>& \$75/burro               | \$125/horse<br>\$75/burro              | Application fee                                       |
| Grazing<br>fees<br>-CONUS<br>(1 fee)            | Annually                           | Mar 89                        | Mar 89                       | \$1.54 per<br>animat-unit-<br>month (AUM) | \$1.86/AUM                             |   |
| Grazing<br>fees<br>-Alaska<br>(1 fee)           | Every 3<br>years                   | 1987                          | Unknown                      | \$1.10 AUM                                | \$1.10 AUM                             |   |

| Fee type<br>& number                             | Required<br>frequency<br>of review | Last<br>reviewed <sup>a</sup>        | Last<br>revised <sup>a</sup>        | Fee before<br>last review                       | Current<br>fee                                      | GAO<br>observations                                  |
|--|------------------------------------|--------------------------------------|-------------------------------------|---|---|--|
| Other solid<br>minerals<br>royalties<br>(# Unk.) | No<br>pattern                      | Varies by<br>contract                | Unknown                             | Un known  | Varies by<br>contract                               |  |
| Other solid<br>minerals<br>bonuses<br>(# Unk.)   | No<br>pattern                      | Varies by<br>contract                | Unknown                             | Un Known  | 20% of bid  |  |
| Mining law adminis- tration (14 fees)            | No<br>pattern                      | 12 In 1988<br>1 In 1962<br>1 In 1949 | 1988<br>Unknown<br>Unknown          | \$0 to \$25<br>\$10<br>\$10                     | \$5 to \$250<br>\$10<br>\$10                        | Filing fee   |
| Mining law<br>patent<br>purchases<br>(5 fees)    | No<br>pattern                      | 1988                                 | 2 in 1872<br>2 in 1876<br>1 in 1960 | \$2.50 to \$5/<br>acre, \$5/acre<br>\$2.50/acre | \$2.50 to \$5<br>\$5/acre<br>\$2.50/acre            | Filling fee set<br>by Congress                       |
| Survey of mining claims -CONUS (2 fees)          | No<br>pattern                      | 1985                                 | Unknown                             | Unknown   | \$500 for<br>1st claim;<br>\$200 each<br>add. claim | Filing fee<br>(may be<br>increased by<br>each state) |
| Survey of mining claims -Alaska (2 fees)         | No<br>pattern                      | 1985                                 | Unknown                             | Unknown   | \$625 for<br>1st claim;<br>\$250 each<br>add. claim | Filing fee<br>(may be<br>Increased by<br>the state)  |
| Mineral<br>materials<br>(2 fees)                 | No<br>pattern                      | 1983                                 | Unknown                             | High bid or<br>fair market<br>value             | High bid<br>or fair<br>market<br>value              | Fair market<br>value is based<br>on appraisal        |

| Fee type<br>& number                             | Required<br>frequency<br>of review | Last<br>reviewed <sup>a</sup> | Last<br>revised <sup>a</sup> | Fee before<br>last review                   | Current<br>fee                              | GAO<br>observations |
|--|------------------------------------|-------------------------------|------------------------------|---|---|---------------------|
| Geothermal<br>bonuses<br>(1 fee)                 | No<br>pattern                      | 1 989                         | Unknown                      | 20 <b>%</b> of bid                          | 20≸ of bid                                  |                     |
| Geothermal in-lieu-of production (2 fees)        | No<br>pattern                      | 1989                          | 1989                         | Unknown                                     | \$3 to \$6/acre                             |                     |
| Geophysical<br>operations<br>-Alaska<br>(2 fees) | No<br>pattern                      | 1988                          | Unknown                      | <b>\$</b> 25                                | \$25  | Filing fee          |
|  |                                    |                               | Publica                      | tion Costs                                  |   |                     |
| Freedom of Informa- tion Act requests (# Unk•)   | No<br>pattern                      | Nov 87                        | Unknown                      | \$0.13/pg to<br>researcher's<br>hourly rate | \$0.13/pg to<br>researcher's<br>hourly rate |                     |
| Copying<br>fees for<br>documents<br>(# Unk•)     | No<br>pattern                      | Varies by<br>state            | Unknown                      | Varies by<br>state                          | Varies by<br>state                          |                     |
| Copying fees for maps (# Unk•)                   | No<br>pattern                      | Varies by<br>state            | Unknown                      | Varies by<br>state                          | Varies by<br>state                          |                     |

<sup>&</sup>lt;sup>a</sup>The terms "last reviewed" and "last revised" refer to the last time fees were reviewed or changed either by the departments or by the Congress.

strengthen management control and oversight and to increase user fee revenues.

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APPENDIX III APPENDIX III

### MAJOR CONTRIBUTORS TO THIS REPORT

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APPENDIX II APPENDIX II

### PCIE'S AUDIT OF THE ESTABLISHMENT AND COLLECTION OF USER CHARGES

The President's Council on Integrity and Efficiency (PCIE) recently took a selective look at the effectiveness of policies and procedures relating to the establishment and collection of user charges at the Departments of Agriculture, Defense, the Interior, Transportation, Housing and Urban Development, and Health and Human Services. The PCIE report, issued February 10, 1989, found that the six departments lacked an effective system for monitoring and promoting user charges and that they failed to collect user charges in all applicable cases. The report concluded that effective user charge programs in the departmental entities reviewed could have resulted in collection of an additional \$476 million from existing programs and that another \$770 million could be realized annually if certain legislative restrictions were removed.

The PCIE recommended that OMB and the executive branch departments become more actively involved in the user fee area. Specifically, the departments should (1) work with OMB in obtaining legislative relief to remove impediments which prevent the charging or changing of user fees and (2) appoint a department-level official to monitor the establishment and collection of user fees and to approve all exemptions to established user fee policy. The PCIE also recommended that OMB (1) revise its Circular No. A-25, "User Fees," to include more precise definitions and to reestablish the annual requirement for departments to report the status of their user fees and (2) follow up on annual user fee reports where the data supplied is incomplete or inaccurate.

We contacted officials at OMB and the six offices of inspector general (OIG) that took part in this PCIE audit to determine what had been accomplished in connection with the PCIE's recommendations. An OMB official stated that his agency is currently reviewing all of its financial management circulars in order to consolidate federal financial management policy and procedures. As a result, some circulars will be combined with others and some will be eliminated. OMB Circular No. A-25 (which establishes federal policy and provides agency guidance for the establishment, collection, and disposition of fees assessed for government services, property, and resources) has been identified as one to be modified, but it has not yet been finalized.

The OIG officials we contacted stated their departments are awaiting direction from OMB regarding the annual reporting of user fee data and the appointment of a department-level official to monitor the establishment and collection of user fees. In the interim, the departments are reviewing their user fee programs to

| Fee type<br>& number                                    | Required<br>frequency<br>of review | Last<br>reviewed <sup>a</sup> | Last<br>revised <sup>a</sup> | Fee before<br>last review   | Current<br>fee              | GAO<br>observations                                |
|---|------------------------------------|-------------------------------|------------------------------|-----------------------------|-----------------------------|--|
| Oil & gas<br>leasing<br>adminis-<br>tration<br>(# Unk.) | No<br>pattern                      | 1988                          | 1988                         | \$0 to \$75                 | \$25 to<br>\$75             | Application fee                                    |
| Oil & gas<br>leasing<br>rental<br>(# Unk.)              | No<br>pattern                      | 1988                          | 1988                         | \$1 to \$3<br>per acre      | \$1.50 to<br>\$2/acre       | Rates set for<br>1 to 5 years and<br>6 to 10 years |
| Oil & gas<br>royalties<br>(# Unk.)                      | No<br>pattern                      | 1988                          | Unknown                      | 12,5%                       | 12.5%                       |  |
| Oil & gas<br>bonuses<br>(# Unk.)                        | No<br>pattern                      | 1988                          | 1988                         | Appraised<br>value          | \$2/acre<br>(minimum)       |  |
| Geothermal leasing adminis- tration (4 fees)            | No<br>pattern                      | 1989                          | Un known                     | \$50 to<br>sharing<br>costs | \$50 to<br>sharing<br>costs | Application fee                                    |
| Geothermal<br>rental<br>(1 fee)                         | No<br>pattern                      | 1989                          | Unknown                      | \$1/acre<br>(minimum)       | \$1/acre<br>(minimum)       |  |
| Geothermal royalties (1 fee)                            | No<br>pattern                      | 1989                          | Unknown                      | 10% to 15%                  | 10 to 15%                   |  |

| Fee type<br>& number  | Required<br>frequency<br>of review | Last<br>reviewed <sup>a</sup> | Lās†<br>revised <sup>ā</sup> | Fee before<br>last review                       | Current<br>fee                                   | GAO<br>observations         |  |  |
|---|------------------------------------|-------------------------------|------------------------------|---|--|-----------------------------|--|--|
| Grazing<br>applica-<br>tion<br>(# Unk.)                       | No<br>pattern                      | 1982                          | Unknown                      | \$10  | \$10   | Application fee             |  |  |
| Energy and Mineral Resources                                  |                                    |                               |                              |   |  |                             |  |  |
| Coal<br>licenses<br>(# Unk.)                                  | No<br>pattern                      | 1982                          | 1979                         | \$0 to \$10                                     | \$10 to \$250                                    | Application fee             |  |  |
| Coal<br>rental<br>(# Unk <sub>•</sub> )                       | No<br>pattern                      | Unknown                       | 1979                         | \$0.25 to \$1<br>per acre                       | \$3/acre   |                             |  |  |
| Coal<br>royaltles<br>(# Unk.)                                 | No<br>pattern                      | Unknown                       | 1977                         | \$0.05/ton<br>(minimum)                         | 12.5%<br>(surface);<br>8% (under-<br>ground)     |                             |  |  |
| Coal<br>bonuses<br>(# Unk.)                                   | No<br>pattern                      | Unknown                       | 1982                         | Higher of<br>appraised<br>value or<br>\$25/acre | Higher of<br>appraised<br>value or<br>\$100/acre |                             |  |  |
| Other solid<br>minerals<br>use & lease<br>permits<br>(# Unk.) | No<br>pattern                      | 1986                          | 1984<br>& 1986               | \$10  | \$25   | Application<br>feas         |  |  |
| Other solid<br>minerals<br>rental<br>(# Unk.)                 | No<br>pattern                      | 1986                          | 1984                         | \$0.25 to \$1<br>per acre                       | \$0.25 to \$1<br>per acre                        | Negotiated<br>annual rental |  |  |

APPENDIX I APPENDIX I

| Fee type<br>& number                                    | Required<br>frequency<br>of review | Last<br>reviewed <sup>a</sup> | Last<br>revised <sup>a</sup> | Fee before<br>last review | Current<br>fee             | GAO<br>observations |
|---|------------------------------------|-------------------------------|------------------------------|---------------------------|----------------------------|---------------------|
| Freedom of informa-<br>tion Act<br>requests<br>(# Unk.) | No<br>pattern                      | 1987                          | 1987                         | \$10/hour                 | \$9.20/hr<br>to \$19.40/hr |                     |
| Copying<br>documents<br>(# Unk.)                        | No<br>pattern                      | 1987                          | Unknown                      | \$0.13/pg                 | \$0.13/pg                  |                     |

#### **Bureau of Land Management**

#### Exchange Case-by-Varies by \$0 to \$100 \$15 to \$100 Application fee Unknown or sale case contract of federal lands (8+ fees) Lease or Case-by-Varies by Unknown \$0 to \$100 0 to \$100 Application fee use of case contract federal lands (25+ fees) Management Case-by-Varies by Unknown \$100 or \$100 or Application fee of federal case contract appraised appraised lands value value (2+ fees) Right-of-No Jul 87 Jul 87 \$20/mile to \$25 to Prior fees were way costs pattern \$100 per actual successfully (12+ fees) 40 acres cost challenged in court

Lands and Realty

| Fee type<br>& number  | Required<br>frequency<br>of review | Las†<br>reviewed <sup>a</sup> | Last<br>revised <sup>a</sup> | Fee before<br>last review       | Current<br>fee                                  | GAO<br>observations |
|---|------------------------------------|-------------------------------|------------------------------|---------------------------------|---|---------------------|
| Freedom of Informa— tion Act requests (# Unk.)              | Un known                           | Un known                      | Un known                     | Un known                        | \$0.13/pg<br>to hourly<br>rate of<br>researcher |                     |
| Cenozoic<br>volume<br>(2 fees)                              | Unknown                            | Unknown                       | Un known                     | Unknown                         | \$150 and<br>\$300                              |                     |
| Bureau of Recl  | amation                            |                               |                              |                                 |   |                     |
| Repayment<br>contracts<br>(1,700+<br>fees)                  | No<br>pattern                      | Varies by<br>contract         | Unknown                      | Actual cost                     | Actua;<br>cost                                  |                     |
| Repayment of over- head & maintenance charges (1,700+ fees) | Annually                           | Varies by<br>contract         | Unknown                      | Actual cost                     | Actual<br>cost                                  |                     |
| Sale of agricul- tural water (1,750+ fees)                  | Annua i I y                        | Varies by<br>contract         | Unknown                      | \$0.04 to \$25<br>per acre-foot | \$0.04 to \$25<br>per acre-foot                 |                     |
| Sale of municipal & indus- trial water (1,750+ fees)        | Annually                           | Varies by<br>contract         | Unknown                      | \$0.17 to \$85<br>per acre-foot | \$0.17 to \$85<br>per acre—foot                 |                     |

| Table 1.2: Fe   | e Information                       | Provided by S                 | elected Depar                | tment of the int          | erior Entities                                  |                            |
|---|-------------------------------------|-------------------------------|------------------------------|---------------------------|---|----------------------------|
| Fee type<br>& number                                  | Required<br>frequency<br>of review  | Last<br>reviewed <sup>a</sup> | Last<br>revised <sup>a</sup> | Fee before<br>last review | Current<br>fee                                  | GAO<br>observations        |
| Minerals Monag  | jement Service                      |                               |                              |                           |   |                            |
| Outer continen- tal shelf annual rent (# Unk.)        | Annually                            | Unknown                       | Unknown                      | Unknown                   | \$3/acre  | Fee since at<br>least 1981 |
| Outer continen- tal shelf lease sale bonuses (# Unk.) | Per<br>contract                     | Un known                      | 1987                         | Unknown                   | \$25/acre<br>(minimum)                          | Fair market<br>value       |
| Outer continen- tal shelf royaltles (# Unk.)          | Per<br>contract                     | Unknown                       | Unknown                      | Unknown                   | 12.5% to 65% profit sharing, or 33.5% flat rate | Negotiated fee             |
| Outer continen- tal shelf royalties- in-kind (# Unk.) | Per<br>contract                     | Unknown                       | Un known                     | Un known                  | Varies by<br>contract                           | Negotiated fee             |
| Product value guidelines (# Unk.)                     | At the<br>Secretary's<br>discretion | Unknown                       | Mar 88                       | Unknown                   | Commodity value less negotiated costs           | Negotiated fee             |

| Fee type<br>& number                                       | Required<br>frequency<br>of review | Last<br><u>reviewed<sup>a</sup></u> | Last<br><u>revised<sup>a</sup></u> | Fee before<br>last review                     | Current<br><u>fee</u>                         | GAO<br>observations                                    |
|--|------------------------------------|-------------------------------------|------------------------------------|---|---|--|
| Freedom of<br>Informa-<br>tion Act<br>requests<br>(4 fees) | No<br>p <b>attern</b>              | 1 986                               | Unknown                            | \$0.07/pg to<br>\$10/hour                     | \$0.07/pg<br>to staff<br>salary<br>rate       |  |
| Calibration<br>services<br>(490+ fees)                     | Sem1-<br>annually                  | Mar 89                              | 1989                               | Unknown                                       | \$12 to<br>\$50,000+                          | Revised as<br>required                                 |
| National Ocean   | ic and Atmosph                     | eric Administ                       | ration                             |   |   |  |
| Maps &<br>charts<br>(106 f <del>oo</del> s)                | Annual I y                         | Mar 89                              | Oct 88                             | \$1.25 to<br>\$600                            | \$1.25<br>to \$600                            | Selected fees<br>raised                                |
| National<br>Weather<br>Service<br>(7 fees)                 | Annua I I y                        | Jul 89                              | Jul 89                             | \$2,500 to<br>\$24,500                        | \$2,500 to<br>\$21,000                        | Fee = cost<br>divided by<br>number of<br>subscribers   |
| Foreign<br>fishing<br>operations<br>(35 fees)              | Annual I y                         | Feb 89                              | Unknown                            | \$61.76 to<br>\$2,450.59<br>per metric<br>ton | \$61.76 to<br>\$2,450.59<br>per metric<br>ton |  |
| Vessel & gear damage (1 fee)                               | Unknown                            | Unknown                             | Unknown                            | <b>\$</b> 75                                  | <b>\$</b> 75                                  | Application fee<br>set by Congress                     |
| Foreign<br>fishing<br>observer<br>(1 fee)                  | Annually                           | Aug 88                              | Aug 88                             | \$7,219                                       | \$7,222                                       | Fee = salary of<br>observer while<br>on fishing vessel |

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|            | ABBREVIATIONS  |      |
| AUM        | animal-unit-month  |      |
| CONUS      | Continental United States  |      |

Office of Inspector General

Office of Management and Budget

President's Council on Integrity and Efficiency

OIG

OMB

PCIE

available at the headquarters level pertains primarily to the administration of fee policy and the aggregation of fee revenues. Neither Commerce nor the Interior has a central office or official who has detailed information on that department's fees.

We were also told that detailed information on fees contained in government contracts is available only by contacting each contracting official. Bureau of Reclamation officials stated that they have over 1,750 contracts with various companies, counties, towns, districts, and state and local agencies to provide agricultural, municipal, and industrial water service. Bureau officials also estimate that there are a similar number of contracts in effect to recover the capital costs associated with building the dams, irrigation ditches, and pumping stations to provide the water service. Since each contract was negotiated individually and its documentation is kept in the field, bureau officials are unsure as to how many contracts actually exist and have only recently begun to compile a contract inventory. Therefore, because of the large number of contacts that would have been necessary, we agreed not to conduct a field-location-by-field-location search to identify and verify individual user fees for inclusion in a comprehensive compendium.

### INFORMATION IS NOT READILY AVAILABLE TO DETERMINE WHETHER USER FEES ARE BEING PERIODICALLY MODIFIED

To determine whether the entities we contacted were periodically adjusting their user fees to compensate for inflation, we requested information on when fees are required to be reviewed and when they were actually reviewed and last revised. Fee information in such detail is not readily available at the headquarters level in the Departments of Commerce and the Interior. However, officials at the entities we contacted were able to provide limited information regarding fee reviews on 78 types of user fees. These types vary from charges for maps and charts to royalties from mineral leases to fees for grazing rights. The number of individual fees in each type, where known, ranges from 1 to over 1,750.

The officials we contacted could provide specific information on when fees were supposed to be reviewed for 17 of the 78 fee types: 15 types are to be reviewed annually, 1 semi-annually, and 1 every 3 years. Of the 17 types, 12 had been reviewed within a year of our request

inflation. However, from the limited information we were provided, we found indications that while some types of fees have been reviewed and revised recently, others have not. (See appendix I.) We also found that there are legitimate reasons for not revising some fees. For example, fees established by federal statute, through competitive bidding, or in contract negotiations are usually not permitted to be administratively or unilaterally changed by the departments.

Regarding implementation of the recommendations contained in the PCIE's report on user fees, OMB is currently reviewing its financial management circulars to consolidate federal policy on financial management, including user fees. The offices of inspector general which took part in the PCIE audit indicate that the six departments involved are reviewing their user fee policies and procedures for the purpose of improving management's control and oversight. (See appendix II.)

#### BACKGROUND

From 1959 to 1974, executive branch departments were required to file an annual report with the Bureau of the Budget (now called OMB), detailing the costs incurred and fees charged by each of their bureaus and organizational units. In April 1974, OMB discontinued this requirement because most of the fee information it was receiving was incomplete and inaccurate. Given the seriousness of the current federal budget deficit, some Members of Congress have expressed concern that the government may be experiencing substantial financial shortfalls because it fails to periodically review and revise the fees charged for the lease, purchase, or use of its goods, services, and resources.<sup>2</sup>

#### OBJECTIVES, SCOPE, AND METHODOLOGY

Our objectives were to determine whether (1) detailed fee information is readily available at the Departments of Commerce and the Interior to prepare a comprehensive compendium of user fees for those departments, (2) the Departments of Commerce and the Interior are periodically

<sup>&</sup>lt;sup>2</sup>For purposes of this report, the term "fee" encompasses receipts to the U.S. Treasury such as rents, royalties, bonuses, etc.